

April 29, 2004

PORTLAND WATER DISTRICT
Request for Exemption of Chapter 65

ORDER APPROVING
EXEMPTION

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

I. SUMMARY OF DECISION

In this Order, we grant the Portland Water District (the District) an exemption from Chapter 65 (3) & (5) having found that the District has shown good cause.

II. BACKGROUND AND DECISION

On March 26, 2004, the Portland Water District (District), filed a request for an exemption from Chapter 65 §3(C), and §3(E) of the Commission's Rules to permit the District to set the customer contribution to the Route 114 water main extension at \$2,000 for residents connecting directly onto the Route 114 main and to add \$1,000 to the normal extension fee for those connecting onto the Route 114 main by way of further main extension for the 15 years following construction of the Route 114 main extension.

The District serves customers in Portland, South Portland, Westbrook, Falmouth, Cape Elizabeth, Scarborough, Windham, Standish and portions of Gorham. As part of the master plan for the entire water system, the District plans to extend approximately 8000 feet of water main along Route 114 to the Town of Gorham (Town) during the summer of 2004, for an estimated cost of \$800,000. The District intends to take advantage of the Maine Department of Transportation's plans to upgrade the existing Route 114 roadway, thereby saving the District and its customers certain construction costs associated with roadway opening, grading and paving. This extension will help improve water quality for all customers of the District by eventually interconnecting the northern and southern zones of the distribution system in Gorham and Windham. This will result in more efficient water delivery and system capacity, along with better water flow in the system as a whole.

The District and the Town of Gorham (Town) have entered into a main extension contract in which the Town has agreed to pay \$249,000 towards the cost of the extension and the District and future customers will pay the remaining portion of the estimated \$800,000 construction cost. The flat fee customer contribution is intended to encourage existing homeowners and businesses along the extension route to connect to, and contribute fairly to, the main extension.

The District has asked for an exemption from §3(C), which requires that the amount a customer contributes towards a main extension be determined using a mathematical formula based upon length of pipe and the cost per foot and an allocation among

customers served by the same sections of the main extension. The District is also required to recalculate this amount for each additional customer for 10 years following the main extension. Instead, the District is proposing that customers who connect directly along the Route 114 extension, for the 15 years after the main is constructed, pay a flat fee of \$2000. This flat fee would enable the District to collect an estimated \$50,000 from existing dwellings along Route 114 expected to connect.

In addition, the District has asked for an exemption from §3(E), which states that all further extensions shall be paid for separately from previous extensions. In this case, the District has proposed collecting the applicable main extension fee for those customers who connect laterally off of the Route 114 main plus an additional \$1000 as a contribution to the Route 114 main extension. In anticipation of future development off Route 114, the requested five extra years would allow the District to collect as much money towards the main extension as possible.

Chapter 65 §6(E) allows a utility to apply to the Commission for an exemption from any provision of the Rule for good cause. The extra time requested, the extra \$1000 per customer on lateral mains and the \$2000 per customer on the Route 114 main will allow the District to collect a total of approximately \$150,000 towards the entire extension. By enabling the District to allocate costs to current and future District customers and take advantage of the MDOT reconstruction of Route 114, these exemptions will aid in significant water quality improvements for all customers of the District. We therefore grant the exemption.

Accordingly, we

ORDER

That the Portland Water District is exempt from Chapter 650 §3.C and §3.E, and allowed to collect a customer contribution to the Route 114 water main extension of \$2,000 for residents connecting directly onto the Route 114 main and to add \$1,000 to the normal extension fee for those connecting onto the Route 114 Main by way of further main extension for the 15 years following construction of the extension.

Dated at Augusta, Maine, this 29th day of April, 2004.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch

Diamond
Reishus

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.